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Set Up a Special, High-Level Agency

By JAKE GARN

TRADE with the Soviet Union is in our national interest. In addition to increased jobs and enhanced earnings to be reinvested in research and development, trade ties with the Soviet bloc countries can have an important, though limited, effect toward moderating Soviet behavior.

It seems clear that one of the factors that has thus far prevented the Soviet Union from invading Poland has been a fear of disrupting trade relations with the West.

This assertion can be exaggerated, however, and often has been. But it is undeniable that American trade leverage over the Soviet Union has greatly decreased. In fact, recent history has shown the West to be more economically vulnerable to the Soviet Union than it seems to be to us. This has not been the result of the inherent nature of trade with the East, but rather of our failure to organize adequately to insure that such trade is mutually beneficial.

In the spring of 1982, the American intelligence community issued a report evaluating the effects of the last 10 years, concluding in part that "the Western military expenditures needed to overcome or defend against the military capabilities derived by the acquisition of Western technology far outweigh the West's earnings from the legal sales to the Soviets of its equipment and technology." Fred C. Ikle, Under Secretary of Defense for Policy, has indicated that the price tag for this failure could be tens of billions of dollars, if not much more.

American trade with the Soviet bloc is foundering upon the recognition of the cost of East-West trade coupled with the institutional inability to respond adequately to these costs. Important national interests are at stake, and if the United States is unable to afford ever-increasing defense costs — and that is clearly the case — then a much more effective export control system will be needed.

Currently, the administration of export controls is far removed from the policy-making levels of Government. So instead of a flexible organization able to respond quickly to national needs, we have a system that required American exporters to make 76,677 export license applications in fiscal year 1982, with 98.8 percent eventually being granted. With nearly every application approved, how many of those were in fact unnecessary?

At the same time, one wonders where our export control efforts have been directed when we receive intelligence reports listing the advances in computer, laser, electronics, antisubmarine warfare, advanced avionics, and many other critical technologies that the Soviets have obtained from Western sources.

Since 1948, several Congressional committees have exposed the inadequacies of our export control system, administered by low-level officials. The criticism has come to a head with recent reports from the General Accounting Office and the Commerce Department's inspector general, that export administration has remained largely unchanged over the past three decades.

With the current Export Administration Act expiring this year, the Senate Banking Committee is currently considering a proposal that 17 of my colleagues and I put forward to elevate the priority given to export administration. Our proposal would place it in a highly visible, independent Federal agency that would have the administration of our export control laws as its sole responsibility.

This agency would be named the Office of Strategic Trade. Its director would be a member of the National Security Council, where he could insure that attention at the highest levels of Government was being devoted to our export control strategy. We believe that the presence of a governmental official with high stature and with day-to-day involvement in export administration would go a long way toward insuring that export control policies accorded with the realities of the international trading environment, and that the mistakes in the recent controls against the Soviet pipeline would not be repeated.

THE intelligence community report made the following conclusion: "The massive, well-planned and well-coordinated Soviet program to acquire Western technology through combined legal and illegal means poses a serious and growing threat to the mutual security interests of the United States and its allies. In response, the West will need to organize more effectively than it has in the past to protect its military, industrial, commercial and scientific communities."

Our NATO allies will not improve their export control operations until we get our system operating as it should. When we can offer them a system whereby East-West trade can be increased, while the control of critical technologies is enhanced, we will find them very ready to cooperate.

With an effective, high-priority agency in place, such as the Office of Strategic Trade, we can reduce the fears of giving critical advantages to the Soviet Union. We will thereby have removed a major obstacle to our trade and be in a position to expand trade with the Soviet bloc, insuring that such trade is beneficial to American interests. ■

Senator Jake Garn, Republican of Utah, is chairman of the Senate Banking Committee.